

Message Text

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ACTION CU-04

INFO OCT-01 EUR-12 ISO-00 L-03 SCSE-00 SCA-01 /021 W

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FM AMEMBASSY LUXEMBOURG

TO SECSTATE WASHDC 4846

UNCLAS LUXEMBOURG 1088

E.O. 11652: N/A

TAGS: CASC, OEXC

SUBJ: STUDENT OVERSEAS SERVICES (SOS)

REF: STATE 295843

1. LUXEMBOURG OFFICIALS CHARGED WITH SUPERVISING DISSOLUTION OF SOS ASSETS INDICATE COMPANY MAY HAVE LEFT DEBTS CONSIDERABLY IN EXCESS OF ASSETS. HOWEVER, ALL CLAIMS LODGED BY US CITIZENS WILL BE CONSIDERED ON AN EQUAL BASIS WITH THOSE LODGED BY LUXEMBOURG FIRMS. WHILE COMPANY'S LICENSE HAS BEEN DEFINITIVELY REVOKED, SOS ATTORNEYS ARE STILL NEGOTIATING SECTION OF LAW UNDER WHICH COMPANY WILL GO INTO RECEIVERSHIP. THIS MAY AFFECT AMOUNT OF MONEY AVAILABLE TO SATISFY CLAIMS, BUT NOT PROCEDURE FOR LODGING THEM.

2. US CITIZENS WISHING TO LODGE CLAIMS WHICH DO NOT REST ON CHARGES OF ANY FRAUDULENT BUSINESS CONDUCT SHOULD WRITE DIRECTLY TO THE COMMERCIAL COURT OF LUXEMBOURG (ADDRESS IN FRENCH: SECTION COMMERCIALE, TRIBUNAL D'ARRONDISSEMENT, CASE POSTALE 15, LUXEMBOURG, LUXEMBOURG).

3. CLAIMS WHICH INVOLVE ANY ALLEGATION OF MALFEASANCE OR MISREPRESENTATION (SUCH AS A DEMAND FOR REFUND OF FEES BASED ON UNSATISFACTORY FULFILLMENT OF CONTRACT) SHOULD BE LODGED WITH THE DIRECTOR OF PUBLIC PROSECUTION (ADDRESS IN FRENCH: MONSIEUR LE PROCUREUR UNCLASSIFIED

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D'ETAT, TRIBUNAL D'ARRONDISSEMENT, CASE POSTALE 15,

LUXEMBOURG, LUXEMBOURG).

4. THERE HAS BEEN VIRTUALLY NO LUXEMBOURG PRESS REACTION TO SOS COLLAPSE. ALTHOUGH INCORPORATED AS A LUXEMBOURG COMPANY, SOS WAS OWNED AND OPERATED BY AMERICAN CITIZENS AND WIDELY IDENTIFIED IN PUBLIC MIND AS AMERICAN COMPANY. IN VIEW OF POOR IMAGE CREATED BY WIDELY-PUBLICIZED FAILURES OF CERTAIN UNDERFINANCED OR QUESTIONABLE AMERICAN VENTURES HERE SEVERAL YEARS AGO, POST HAS ATTEMPTED DOWNPLAY COLLAPSE OF SOS.

5. POST IS RESPONDING TO INQUIRIES BY ADVISING THAT SOS LICENSE HAS BEEN WITHDRAWN AND STUDENTS SHOULD SEND NO FURTHER FUNDS FOR DEPOSITS OR FEES. EXPLAINING THAT COLLAPSE OF AGENCY LEAVES DECISIONS REGARDING DISSOLUTION OF ASSETS IN HANDS OF LUXEMBOURG AUTHORITIES, POST IS ADVISING US CITIZENS WITH CLAIMS AGAINST SOS TO CONTACT ABOVE ADDRESSES BUT WARNING THAT NO GUARANTEE CAN BE MADE THAT ALL CLAIMS WILL BE FULLY REIMBURSED. COPY OF DEPARTMENT PAMPHLET "WORD OF CAUTION ABOUT WORK/ STUDY ABROAD ORGANIZATION" ENCLOSED IN ALL CORRESPONDENCE TO ASSIST THOSE WHO WILL NOW LOOK FOR ALTERNATIVE PROGRAMS.

6. POST CONTINUING TO WORK WITH LIQUIDATORS TO PREVENT STRANDING OF ANY STUDENTS ALREADY IN EUROPE IN SOS PIPELINE.

PHILLIPS

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